

SUSTAINABLE, GREEN AND SOCIAL BONDS

The business challenge and the investment opportunity.

Sustainable development, namely climate change mitigation and adaptation, is costly. Trillions of dollars are needed to achieve a more sustainable world: from more resilient infrastructures, to renewable energy, to water for all.

The good news is that trillions of dollars are also available, for instance in the traditional bonds market. Some of that capital is already being shifted towards green bonds for instance. Green bonds are normal bonds, but with the capital being used to **finance or refinance** green projects, such as energy efficiency. The green bonds market is growing fast with \$81 billion issued in 2016 and more than \$100 billion expected to be issued in 2017.



How to ensure the integrity of your bond?

Green and other sustainability bonds demand transparency, disclosure and integrity. SUST4IN helps its clients through non-financial services such as:

- ✓ Review of the sustainability performance, strategy and the business case for the bonds issuance
- ✓ **Design of the bond framework**, including the disclosure of how proceeds will be managed and allocated, plus the possible alignment with the Sustainable Development Goals (SDGs).
- ✓ Identification of eligible assets and projects potentially compliant with the Green Bond Principles, and with applicable standards, guidelines, criteria and other relevant references and requirements
- ✓ Design of a measurement and reporting framework and key performance indicators to demonstrate positive environmental and/or social impact
- ✓ Development of an Information Memorandum containing the information required by investors and other stakeholders
- ✓ Support during road show/meetings with potential investors
- ✓ **Impact reporting**: review of the adherence of the use of proceeds to the projects defined at issuance and reporting of key performance indicators.

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Who should be interested?

Organizations, including companies, financial institutions and governments, with planned or existing eligible projects and assets in sectors such as energy, water, transport, building, waste, agriculture, but also consumer companies or even coffee shops. Investors are already interested and driving the market as they also have clear benefits in a **win-win situation**.

Benefits to the issuer

- ✓ Investor diversification: investors from various origins often oversubscribe issuances
- ✓ Meet Corporate Social Responsibility requirements: investment with meaning
- ✓ Brand value and positive message: both at external and internal levels

Benefits to the investor

- ✓ Meet Environmental, Social & Governance (ESG)/Socially Responsible Investment (SRI) criteria
- ✓ Same coupon and risk level as traditional bonds
- ✓ Evidences of a stronger secondary market

Why SUST4IN?

We are an international network of experts on sustainability, including our pioneer work around green and sustainable bonds. Our **experience, credibility, independence, background and ability to deliver**, always very close to our clients, listening to their needs, where and when they need it, are our key advantages. SUST4IN is part of the **Green Bonds Principles** since January 2015, as well as a member of other initiatives such as **Caring for Climate** and **Forum Clima**.

FAQs

What exactly is a sustainable, social or green bond?

These bonds are debt instruments, similar to traditional bonds in terms of deal structure, but they have different requirements for reporting, auditing and proceed allocation, as the issuer needs to demonstrate that the projects or assets will bring environmental and/or social benefits. These additional requirements also provide marketing and branding value, absent from traditional bonds.

Who can issue a sustainable bond? What are the typical sizes and maturities?

Any organization with bonding authority can issue a sustainable bond. It does not even need to be a “pure play” green or social organization. Sizes vary from \$10 million to \$3 billion. Maturities vary from 3 to 25 years.

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